HOUSE OF LORDS
Financial Services Regulation Committee

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Lucy Rigby KC MP
Economic Secretary to the Treasury
His Majesty's Treasury
1 Horse Guards Road
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27 July 2026

Dear Economic Secretary,

Modernising Payment Services Regulation

First, I should like to welcome you back to your role as Economic Secretary. The Financial Services Regulation Committee looks forward to working with you again.

Following the publication of HM Treasury's consultation 'Modernising Payment Services Regulation' on 14 July, we note several proposals in the consultation would delegate further rule-making powers to the FCA, including across payment services and open banking. We are concerned that, given the volume of additional rule-making powers being proposed in areas that are critical to the UK financial system and the economy more broadly, this consultation does not also consider the potential impact these could have on the existing accountability mechanisms.

In our discussions on the Financial Services and Markets Bill, we have raised similar concerns about the growing volume of rule-making powers being delegated to the financial services regulators, and the consequent challenge this creates for Parliament, and this Committee, in scrutinising their work and holding the regulators to account.

What consideration has the Government given, as part of this consultation, to the impact these new powers could have on the accountability mechanisms, and on the ability of Parliament to hold the FCA to account?

Yours sincerely,

Noakes

The Baroness Noakes DBE
Chairman, Financial Services Regulation Committee

A list of all Members' interests is available in the Lords' Register of Interests, here.